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Progress Through Partnership

Medicaid
Medicare
Management Institute

HEALTH CARE FINANCING ADMINISTRATION

September, 1980 Issue No.6

MEDICAID MEDICARE EXCHANGE

REGION VI STATE MEDICAID DIRECTORS' MEETING

Region VI held its quarterly State Medicaid Directors' meeting in Dallas, July 30-31. In addition to various State and regional office employees, the meeting was attended by each of the State Medicaid directors in the region. Those present included Ms. Sharon Marcum (Arkansas), Ms. Bonnie Smith (Louisiana), Mr. James Koglin (New Mexico), Dr. Bertha Levy (Oklahoma), and Dr. Emmett Greif (Texas).

The one and a half day meeting included presentations by State, regional and central office staff. Marilyn Knott discussed Oklahoma's EPSDT case management system. James Koglin, the New Mexico director, highlighted that State's process of hearing Medicaid appeals cases by telephone. Another topic of discussion was "Alternatives to Institutional Care." A panel consisting of Dr. Greif, Ms. Marcum, and Ms. Elsie Griffith from the Dallas Visiting Nurses Association exchanged ideas about caring for beneficiaries in their homes, as opposed to nursing homes. Ms. Bonnie Smith from Louisiana and Dr. Arnold Ashburn from Texas later headed a panel discussion on contracting. This session centered around the procurement and monitoring of contracting.

The Dallas office has sponsored these State directors' meetings for several years. Jim Adams, Regional Medicaid Director, feels that they offer an excellent avenue of communication between States and the regional office. They also serve as a forum for the exchange of innovative ideas between States. "Although a number of presentations are made by HCFA personnel, we like to think of these meetings as essentially belonging to the States," Adams said. In addition to scheduled agenda items, each meeting has time allotted for open discussion of issues that concern the States.

Originally held in the regional office, the meetings are now rotated from State to State. This gives State, as well as regional office staff, an opportunity to attend the sessions.

MMIS UPDATE

ANNUAL MIS CONFERENCE

HCFA's third Management Information Systems (MIS) conference is tentatively set for Kansas City, Missouri. Previous conferences focused on the Medicaid Management Information System (MMIS); the upcoming one will cover the use of information systems among States and Medicare contractors.

HCFA's Office of Methods and Systems (OMS), primarily responsible for the conference, reports positive feedback from the second annual conference, attended by Federal, State and private sector representatives in Louisville, April 14-16. There, States expressed concern over several management issues, including the need for common definitions and common claims forms; reasonable time and funding necessary to implement new subsystems, formats, modules, and enhancements; and Medicaid/Medicare integration, among other topics. Federal concerns focused on program management; Federal/State dialogue in determining HCFA's directions; the need for different State funding systems due to changing Federal requirements; and the need for more realistic time frames for required changes in State operations.

At the April conference, Bureau of Program Operations Director Mildred Iyssowski discussed the Department's priority for improving State management practices and implementing a cost effective MMIS in each State. Mrs. Iyssowski commented on the need to improve all health care information systems, and to increase uniformity of information, to permit valid comparisons among programs as well as informed management decisions. She also announced a major HCFA initiative to establish common coding based on expanding CPT-4 and ICD-9-CM (detailed in MMX #4).

A complete report of the April conference should be available in late September from the M/MMI. Contact Ruth Perry, 301-594-8856 for copies.

Dates for the 1981 MIS conference are now being coordinated with the M/MMI. For additional information contact Richard Moss, 301-594-6491, or Bea Smith, 301-594-8441 in OMS' Systems Planning Branch.

STAG UPDATE

The Systems Technical Advisory Group (STAG) met in Baltimore, August 4-6, to provide HCFA with State perspectives on a range of management issues. STAG, cochaired by Allen Miller (Pennsylvania) and William Hogsten (HCFA's Office of Methods and Systems), reviewed a proposed MMIS performance review package presented by HCFA's Office of Standards and Performance Evaluation (Division of Standards). (See MMX #5 for details.)

Chuck Booth, Director, Division of Methods and Systems Requirements, gave a presentation on diagnostic coding and uniform billing (UB-16), and Bill Grant, Director, Division of Eligibility Systems, reported progress on the Eligibility Technical Advisory Group (ETAG) efforts to develop mechanisms for developing more uniform eligibility determination procedures. (Previous STAG and ETAG activities are highlighted in MMX #4.)

"SUPER" SURS EMERGES

The September 30 deadline is rapidly approaching for completing a new document reflecting technological advances and other operational changes in the Surveillance and Utilization Review Subsystem (SURS) of the MMIS. The first draft of this document was reviewed by local members of a SUR advisory panel in early September. A final review is planned for September 24 during a National SURS Workshop in Denver. Central and regional systems components will review the document in October.

"The document will not be a new SURS General Systems Design (GSD), but rather will identify those features which can reasonably be expected to improve computer run time, reduce costs and output volume, and provide greater user control over the system," according to Pat Wright in OMS. HCFA anticipates the document will be used as the basis for developing a new GSD during the next fiscal year. Contact: Pat Wright, 301-594-4943.

BPO DIRECTOR RETIRES

Mildred L. Tyssowski has retired from the position of Director, Bureau of Program Operations, effective August 31. In a memorandum to BPO staff, Ms. Tyssowski stated that she had decided to advance the time for retirement by a few years because of the financial advantages of retiring by the end of August. Paul R. Willging, Deputy Director of the Bureau, will serve as Acting Director.

ENCOURAGING TECHNOLOGY EXCHANGE

One of the most accurate sources of technical assistance for States is other States. States have exchanged resources for many years - through informal or formal routes. One of the Medicaid/Medicare Management Institute's (M/MMI) functions is to foster communication between States through several methods including its publications. The newest of these publications will be "Management Illustrated," a two to four page bulletin devoted solely to emphasizing effective practices in State Medicaid programs. M/MMI intends to publish three or four issues during the coming year; the first is in process now.

States interested in sharing information about a management technique can call or write Pat Alexander (details below) for a criteria guideline. The guideline highlights elements needed for the description and historical development of the practice, evidence of success, implementation, operation and transfer capability.

Another communication method used by M/MMI is the Technical Assistance and Consultation Resource Lists (TACR Lists). Federal and State persons on the lists should be prepared to provide on-site assistance, to serve as speakers, or be available for phone consultation in their particular area of expertise. The individual lists, i.e., EPSDT, eligibility, third party liability, are slated for distribution in late Fall 1980. M/MMI would appreciate submittals of nominations or volunteers who can be helpful to other States for this list by October 31. Information needed by M/MMI is: name/title/position - agency name/address/phone and a brief description of the individual's program area expertise.

Contact for both the effective practice guideline and the TACR List submittal is Ms. Pat Alexander, 389 East High Rise, 6401 Security Boulevard, Baltimore, MD 21235. Phone: 301-594-9524 or FTS 934-9524.

CAPITALIZING STATE RESOURCES

M/MMI's Corrective Action Projects Division (CAPD) provides technical assistance and professional consultative services to Medicaid State agencies. CAPD focuses its efforts on resolving problems which contribute significantly to Medicaid quality control errors. Through CAPD, States are afforded the expertise needed to implement operational improvements in their programs in third party liability (TPL), data exchange, error prone profiling/eligibility management, and SURS areas.

FLORIDA THIRD PARTY LIABILITY - A major initiative to develop and implement a third party liability system, based on the CAPD-developed general systems design used in Pennsylvania, is under way in Florida. Recently, CAPD staff delivered Pennsylvania's TPL data tape to Florida officials and to the State's contractor, providing them with CRT screen layouts, file and record layouts, systems and program flowcharts, program listings and an IBM 1600 BPE tape containing all programs and test data of the Pennsylvania TPL system design. Florida's contractor plans to tailor the system to that State's needs, and to expand the design to include IV-D and Worker's Compensation modules.

To assist with the system transfer, CAPD is working with Pennsylvania TPL staff and the Florida contractor's staff. Contact M. Barton Kershbaum, 301-594-9527 for details.

DATA MATCH PROTOCOL - Representatives from CAPD, the Health Insurance Association of America (HIAA) and Blue Cross and Blue Shield have formed a task force to develop a protocol for data match initiatives. The data match, one area in which CAPD provides technical assistance, involves implementing an automated match between a State's Medicaid eligibility file and those of a major health insurer. This match is important in implementing an effective cost avoidance system.

Benefits anticipated from the task force effort include support from the national association for data match initiatives, an analysis of what constitutes a realistic project in this area, guidelines for States on setting up matches, and subsequent coordination of claims payment. The task force findings will be pilot tested and then presented in a final report with recommendations and procedures for data matches and submitting claims for payments.

Working sessions thus far have focused on reviewing common types of policies and plans offered by HIAA member carriers and BC/BS, sample claims from such policies, and options available to insurance companies, employers or other third party trustees handling eligibility certifications and claims payment. Contact Jane Herlocker, 301-594-9511 for details.

BC/BS TPL MANUAL - Blue Cross and Blue Shield Associations recently published a Third Party Liability Manual for Blue Cross and Blue Shield Plans and State Medicaid agencies. The manual, designed to support interaction between States and BC/BS plans in establishing quality administrative relationships, serves as a tool for developing and implementing procedures which assure that Medicaid TPL requests and claims are handled effectively and efficiently. The guide presents major areas in TPL which affect BC/BS ability to comply with Medicaid legislation. It also details the BC/BS organization and typical BC/BS practices. A limited number of copies of the manual are available from Ross Cirrincione in CAPD, 301-594-9577.

One of the richest sources of third party liability in the Medicaid program is health insurance on AFDC dependents. This insurance is carried by absent parents through their employment. This resource has been difficult for States to identify since the Medicaid recipient is frequently unable or unwilling to provide information on health coverage carried by an estranged spouse, and child support agencies are reluctant to divert staff resources from their primary mandate, to medical support enforcement. Consequently, absent parent third party resources have remained largely undetected.

In an effort to find a better way to identify absent parent health insurance in Idaho, Region X staff, together with that States' Medicaid staff, developed a Medicaid/IV-D project for local child support agencies.

Based on the principle that regular child support payors are the absent parents most likely working and having insurance, staff selected a local IV-D office in an area with several large employers, identifying all cases having either: 1) a child support payment made in the last six months or, 2) reliable employment information. Staff grouped cases containing employment information by employer, so that all absent parents working for the same company were clearly identified. They then called each company to determine employment dates, type of dependent medical, dental and vision coverage, group and individual policy numbers, and addresses of insurance carriers.

For cases having dependent coverage, staff obtained medical claims histories going back two years on the AFDC dependents of the absent parent policyholders. Idaho staff have flagged these cases in the claims processing system for future cost avoidance. Post payment recovery on the paid claims has also begun. A letter and TPL questionnaire will soon be sent to the absent parents for whom we did not have employment information, requesting their cooperation to provide information on dependent health coverage. Because the sample includes only responsible (i.e., paying) absent parents, a good return is expected.

Results of the project so far are encouraging. Of the 425 cases selected as having high probability of third party liability, staff have identified dependent health coverage in 154; 43 cases remain to be investigated, including 23 with probable CHAMPUS benefits; and 223 cases will require mail followup. They have eliminated only five cases which do not have related third party resources. Since January 1, 1978, Idaho's Medicaid program has paid over $60,000 in claims on cases shown to have other coverage. Only an estimated 15 to 20 percent of these cases were previously flagged for TPL in Idaho's claims processing system. Staff have already recovered over $7,000 of this sum.

Clustering child support cases by employer proved especially effective. Staff were able to verify 37 cases of AFDC third party liability with a single telephone call to one company. Medicaid had paid $9,000 in claims on these cases in the past two years. A call to another company yielded 16 additional TPL cases. In total, staff contacted 65 employers to verify 154 cases of health coverage.

To date, an average of about one hour staff time per new TPL case has been established. This includes manually pulling cases from child support files, telephoning employers, and eliminating cases with no employment related insurance. As this system is refined and moves to mail contacts on lower priority cases, staff should be able to reduce the labor factor by half.

see Region X on P. 6

Trainers... Take Note!

Our spotlight this issue is on an exciting training approach taken by Virginia's Department of Welfare. They, like many other agencies across the country, were faced with the challenge of delivering information on policy and procedures in a uniform manner to all staff, whether located in central office or in one of the many outlying local agencies. Their response was to go the video route.

To date, staff have written, produced and directed three video tapes dealing essentially with eligibility determination. Each tape is accompanied by an instructor's guide and handouts. Staff have also assumed responsibility for keeping the tapes updated. Thus, current policy and procedural information is easily available to new staff.

There is a double payoff from this project: program errors are reduced because clear, precise information is now available; and production costs are minimal because the work is done entirely inhouse.

Project head Jim McGroarty explained to "Trainers...Take Note" that the project has been highly successful. The tapes are available to any State wishing to review them; several have borrowed them to date. If you would like to talk to a small staff who have done a lot with a little bit of money, call Jim McGroarty at 804-281-9052.

Susan Eberhard

MEDICAID SERVICES STATE BY STATE

An updated "Medicaid Services State by State," a tabular presentation of optional services for each State program, is now available from the M/MMI. Requests for the chart should be directed to Ms. Ruth Perry, M/MMI Clearinghouse, 389 East High Rise, Baltimore, MD 21235; 301-594-8856.

Region X continued

Idaho has decided to implement this project in its other six local child support offices. As each office is reviewed, provisions will be made for routine communication of relevant information on new child support cases between IV-D and Medicaid. Clearly, the Idaho project is no substitute for day to day information exchange; however, this approach is a cost effective way to identify most of the previously undetected third party resources in child support files. Once the files source is completed, the process of identifying third party resources for new cases is relatively simple.

Further information about this project may be obtained by contacting the author at 206-442-1382, FTS 399-1382.

Stephen Moses

MMMI EVENTS

Carrier Representative Group Meeting
Oct. 2, 1980 Baltimore, MD
Contact: Paul Beller
301-594-9455
FTS-934-9455

Mid-Year State Medicaid Directors' Conference
Dec. 2-3, 1980 San Antonio, TX
Contact: Ed Palder
301-594-8940
FTS-934-8940

Third Party Liability Workshops
Planned Dates and Sites:
Oct. 29-30, 1980 Albany, NY
Nov. 19-20, 1980 Nashville, TN
Jan. 7-8, 1981 St. Louis, MO
Jan. 20-21, 1981 Salt Lake City, UT
Contact: Du'Va Clyburn
301-594-8648
FTS-934-8648

Professional Standards Review Organization Workshops
Three are planned for Spring 1981
Contact: Beulah Williamson
301-594-8647
FTS-934-8647

A series of EPSDT workshops are planned for the upcomming fiscal year, although dates are not yet finalized.

THIRD MID-YEAR CONFERENCE OF STATE MEDICAID DIRECTORS

The third mid-year conference of State Medicaid directors will begin December 2 in San Antonio, Texas. Preregistration materials for the two day session are being developed and will be sent to States soon. Theme of the conference will be "State Practices in Title XIX Management."

This conference departs from the usual Federal/State Title XIX gathering. The meeting will focus on States' presentations of their management practices during several concurrent workshops. States will be responsible for the conference program while the M/MMI will coordinate logistics and support activities.

The conference will be held at the St. Anthony Hotel in San Antonio. For additional information contact Edward L. Palder, HCFA, M/MMI, 389 East High Rise, Baltimore, MD 21235; 301-594-8940.

CHILD HEALTH CHECKUP

EPSDT MODELS

HCFA's Office of Child Health has contracted to develop EPSDT administration and informing models. The contractor will analyze and evaluate prior efforts in this area, utilize a nationally based advisory panel, and undertake various field studies to devise sound operational models. The primary deliverable will be a national training conference, targeted for March, 1981. The projected conference will include EPSDT personnel from Federal, State and private sectors. Contact Pat Hotkowski in the Office of Child Health for details at 301-594-1890.

SCHOOL HEALTH SERVICES CONFERENCE PLANNED IN NEW ENGLAND

HCFA and the Department of Education are cosponsoring a New England conference on the provision of school health services and EPSDT, in Somerville, Massachusetts on November 5 and 6. The workshops and discussion groups will provide information on how school health programs can be improved by implementing EPSDT in those school systems which contain a large number of Medicaid eligible children.

Among attendees will be staff from local health departments, local school departments, State Medicaid directors, State education, and State health department personnel. HCFA's contact for information is Marla Kahn, 617-223-1467. Roland Perry, 617-223-7227 is the U. S. Education Department contact.

REGION VII FILM PROMOTES EPSDT

Television stations in all four Region VII States are telecasting a 60-second EPSDT promotional film featuring baseball star Willie Wilson of the Kansas City Royals.

Produced through combined efforts of the HCFA regional office and the HHS Regional Office of Public Affairs, the public service film includes action clips of Wilson and an audio portion directed to children and their parents. In the narrative, Wilson urges children and parents to be aware of good health through medical checkups, and urges Medicaid eligible families to use EPSDT services.

Region VII distributed copies to States for their distribution to television stations, with additional copies sent directly to major metropolitan television stations. Also, 50 tapes, produced from the audio portion of the television film, were distributed to radio stations throughout the region.

The regional office anticipates both television films and radio tapes will receive continuous play through early October, the end of the major league baseball season. Contact: William Blake, Jr., 816-374-3697 or FTS 758-3697.

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REGION X CASE MANAGEMENT SEMINAR

In an effort to enhance communication on EPSDT issues, Region X coordinated an April seminar in Seattle for program representatives from States in that region. During the two day meeting, useful options and alternatives for assisting families with children in obtaining needed health services were discussed. Objectives of the seminar included definition of the essential elements of viable EPSDT case management systems, a review of design features which promote active client involvement in the program, and linkages for sharing EPSDT information among program managers.

This innovative seminar provided an opportunity for front line program managers to share and analyze existing case management structures, and determine methods which could be used to increase the effectiveness of their own systems. According to William Overton, Idaho's EPSDT coordinator, case management was viewed as being alive and flexible, and one method that affords States opportunities to work with families in promoting child health. The agenda allowed maximum input on the variations of case management.

Round table sessions were devoted to case management designs. Representatives from Alaska, Idaho, Oregon and Washington participated. Nancy Feldman, EPSDT program supervisor in Minnesota's Income Maintenance Bureau, Department of Public Welfare, described screening standards for practitioners and clear, stable guidance to local administrative units.

A discussion of child health in a tri-ethnic rural area was presented by Sally Davis, Director of School Health for the University of New Mexico School of Medicine, (formerly director of EPSDT research and demonstration project in Cuba, New Mexico). Ms. Davis addressed the role of EPSDT in rural schools.

A demonstration project in followup was described by Rebecca Curneen, a Community Health Nurse for Washington's Tacoma-Pierce County Health Department, (previously director of an EPSDT demonstration in followup project in Tacoma). During that project's last year, staff produced a plan for Statewide case management of the EPSDT program. Ms. Curneen reported that most conditions are treated during the screening, and effective case management systems should focus primarily on the smaller number of clients who have difficulty in utilizing referrals.

EPSDT reporting requirements and general systems design were discussed by Alan Pezaro from HCFA's Office of Child Health, responsible for technical assistance to States regarding EPSDT automated case management systems, provider recruitment, and marketing to clients. These subjects sparked considerable interest and debate.

As the seminar proved effective in communicating ideas and methods between States, all participants agreed to the need for continuing seminars on EPSDT problem solving issues, ideally at six month intervals.

For further information contact William Collins in Region X at 206-442-7806 or FTS 399-7806.

MEDICAID INSPECTION OF CARE GUIDELINES

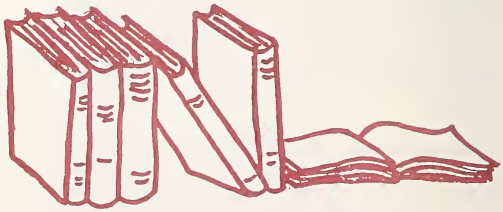
HCFA's Office of Standards and Certification (Health Standards and Quality Bureau) will release their Inspection of Care (IoC) Guidelines for comments late this Fall. These guidelines address the process previously known as medical or independent professional review, before HCFA recodified the Medicaid regulations in 1978, and will establish a compendium of current HCFA policy on Medicaid IoCs and related utilization control requirements. They are intended for use by HHS regional offices, State agency program managers, and IoC teams. Oriented toward the user population, certain sections of the guidelines should be useful to on-site IoC teams and serve as reference material for evaluating Medicaid recipients' placement and care in nursing homes.

According to David Ward, Division of Long Term Care, a comprehensive revision of earlier Federal guidelines for "medical review" is proposed at this time for several reasons. These include the recodification of Medicaid regulations, States' current budgetary constraints, and additional years of State IoC experience. The new guidelines will now cover IoC activities in intermediate care facilities. Specific questions regarding the draft guidelines may be directed to David Ward at 301-594-5014.

CALIFORNIA PHRED PROJECT MANUALS AVAILABLE

California's Prepaid Health Research, Evaluation, and Demonstration (PHRED) project is concluding four years of research with the publication of manuals and reports of interest to other States. The HCFA funded project conducted by California's Department of Health Services aimed to develop a model system for State Medicaid agencies to use in managing contracts with prepaid health plans and/or health maintenance organizations. The model system includes computerized information systems and administrative procedure manuals.

Now available from California are six reports and manuals relating to a rate setting demonstration phase of PHRED. Thirty research publications covering membership studies and quality assurance demonstrations will be available in Winter 1980. States may obtain copies of the PHRED list of completed and planned publications by writing to Charles H. Drew, Jr., Product Manager, PHRED Project, 455 Capitol Mall, Suite 250, Sacramento, CA 95814.



ACTION TRANSMITTALS

These Action Transmittals have been issued by HCFA in July and August. States desiring copies may order them by calling 301-594-5519.

AT 80-51 Program Instruction
Addition of Coverage Codes to Medicaid Quality Control Manual and Revision of Associated Review Schedule Edits

AT 80-52 Notice
Title XIX, Social Security Act: Medicaid Payment for Inpatient Hospital Services; Title XVIII, Social Security Act: Medicare Payment for Inpatient Services

AT 80-53 Proposed Regulation
Title XIX, Social Security Act: Medicaid Agency Fraud Detection and Investigation Program: Verification of Services (refer to 42 CFR 455.20)

AT 80-54 Program Instruction
Instructions Regarding EPSDT Monthly Lists for Penalty Monitoring Sample Purposes

AT 80-55 Monthly Report of Physicians/Practitioners, Providers, and/or Other Suppliers of Health Care Services Suspended, Excluded, Terminated, Reinstated, or Where Effectuated Sanction Was Withdrawn

AT 80-56 Program Instruction
Title XIX, Social Security Act: Court Order Affecting Deeming Policies in 209(b) States, Guam, Puerto Rico, and the Virgin Islands

AT 80-57 Program Instruction
Medicaid Quality Control Sample Size Change

AT 80-58 Plan Preprint
Title XIX, Social Security Act: Revision of Preprinted Plan Material for State Medicaid Programs - Attachment 2.6-C, page 6 - Eligibility Conditions and Requirements for the Medically Needy

AT 80-59 Reporting Requirement
Title XIX, Social Security Act: Revised Reporting for Quarterly Statements of Financial Plan (OA-25) and Quarterly Estimate of Expenditures (HCFA-65)

INFORMATION MEMORANDA

The following Information Memoranda recently issued by HCFA are also available to States by calling 301-594-5519.

IM 80-20 Training Sessions on Completion of the Revised Form HCFA-25 "State Agency Budget Forecast and Quarterly Grant Requirements" -- INFORMATION

IM 80-21 Conference - Third Party Resources Identification and Verification

Legislative Ledger

Congressional concern for improved Medicaid administration was evidenced July 24 when Senator Richard Schweiker's (R-PA) amendment, mandating MMIS for all State Medicaid programs, was added to S. 1177, the Mental Health Systems Act. Approved on a vote of 93 to 3, this Senate bill extends and restructures Federal aid to community based mental health programs through Fiscal Year 1985, giving States more authority and flexibility in using Federal grants for the programs. The bill also contains a weakened version of the controversial "patients' bill of rights."

On August 22, the House passed its version, H.R. 7299, and substituted the text of H.R. 7299 for the Senate version of S. 1177. S. 1177 will now go to the House-Senate conference to work out differences in the two versions of the bill.

Specifically, Senator Schweiker's MMIS amendment contains these provisions:

- States will begin to lose the Federal share of their administrative costs, should they fail to have an operational MMIS (except for waived States) by September 30, 1982, or six months after a specific date pledged to HHS.

- The Department will aid States with technical advice on installation and operation of effective systems, and periodically check to assure the systems meet appropriate performance requirements.

- The few very small States with efficient manual claims processing systems will not be required to implement MMIS and flexibility is provided for other States with extreme problems, to avoid penalties.

The patients' rights section (Title III of S. 1177), as reported by the Committee on Labor and Human Resources, was similar in many respects to H.R. 5935, the Privacy of Medical Records bill (status given below), but would have provided more specific safeguards for psychiatric records. The compromise amendment was introduced by Senator Robert Morgan (D-NC) and substituted a suggested list of the types of rights that States should consider enforcing, rather than imposing specific Federal requirements on States.

Among other recent Congressional activities of interest to Medicaid and Medicare managers were:

The House Commerce Committee reported H.R. 5935, designed to protect the privacy of patients' medical records, after the Government Operations Committee completed action on the bill in March. H.R. 5935 is now before the Ways and Means Committee for consideration.

On July 22, the Senate Committee on Governmental Affairs favorably reported S. 503, the Confidentiality of Medical Records Act. Senator Jacob Javits' (R-NY) amendments were adopted before the bill was unanimously approved. The amendments:

- Permit access to patient medical records for criminal investigations and law enforcement proceedings;

- Increase access to medical records by the Secret Service; and

- Prevent disclosure of psychiatric, psychological, or mental health therapy notes prepared by a physician.

The House Ways and Means Health Subcommittee held several public hearings on financially troubled hospitals in recent months. Hearings were held in Washington, D.C., New York City and Chicago, and more are planned for Miami and Los Angeles. The Senate Labor and Human Resources Subcommittee on Health and Scientific Research held a hearing on this issue June 25, with Under Secretary Nathan Stark appearing. In addition, several bills have been introduced in the House to provide emergency assistance through grants to those hospitals providing care to undocumented aliens and other medically indigent individuals.

Following the Supreme Court's June 30 ruling on Medicaid funding for abortions, which held the "Hyde amendment" constitutional, (see details in MMX #5), the plaintiffs in the case filed a petition for a rehearing before the Court. Until the Supreme Court acts on the petition, the decision of June 30 upholding the abortion funding restriction cannot become effective. If the Court denies the petition, the June 30 ruling will become effective immediately and the agency will be bound by the final abortion regulations which had been suspended since February 19, pending the Supreme Court ruling. Should the Court agree to rehear the case, HCFA will continue to fund medically necessary abortions until the Supreme Court rules once again.

For further information on these or other HCFA legislative issues, call Richard Chambers, HCFA's Legislative Reference Office, 202-426-3717.

MEDIGAP OPERATIONS STAFF FORMED

HCFA's Bureau of Program Operations recently formed a Medigap Operations Staff, responsible for implementing an HHS voluntary certification program for Medicare supplemental health insurance policies meeting certain minimum standards. Required under Public Law 96-265 (signed June 9), the program will cover States that do not apply equivalent or higher standards for Medigap policies. A Supplemental Health Insurance Panel, appointed by the President, will determine whether States' regulations meet those standards and requirements.

In addition, other provisions in the new legislation relating to Medigap insurance require HHS to impose penalties for fraudulent and abusive practices; and to study: 1) States' Medigap policies, 2) the possible need for expanding the Federal program, and 3) the effectiveness of the Federal certification program and new penalties.

Questions regarding the new legislation should be directed to the Medigap Operations Staff director, Robert Silva, 555 East High Rise, Baltimore, MD 21235; 301-594-6640.

MONTANA NURSING HOME COMPLAINT

The U. S. Justice Department filed a civil action on June 13 in the Montana District Court against that State's Nursing Home Association, charging the association with restraint of trade. The complaint alleges that the association violated Section 1 of the Sherman Act by conspiring to raise the price of nursing home services under the Medicaid program in Montana. The action contends that the association acted as bargaining agent for member nursing homes in negotiating contracts with the State to care for Medicaid patients. This arrangement has had the effect of eliminating competition among Montana nursing homes, and prices charged by nursing homes have increased, the complaint alleges. Contact: Attorney Stephen Cannon, Anti-Trust Division, Department of Justice, 202-633-2836.

REGULATION

Following are recent HCFA regulations of interest to Medicaid and Medicare program managers. Questions may be directed to the contact persons listed with each regulation.

Medicare and Medicaid Programs; Protection of Patients' Funds - Final Regulation
7/24/80 Federal Register - Effective 10/22/80
Contact: Janice M. Caldwell, 301-594-3642

Medicare and Medicaid Programs; Automatic Extinguishment Systems for New Long Term Care Facilities - Proposed Regulation
7/28/80 Federal Register - Comments due 9/26/80
Contact: Robert J. Jevec, 301-594-3314

Adoption of the National Bureau of Standards Fire Safety Evaluation System for Health Care Facilities - Final Notice
7/28/80 Federal Register - Effective 7/28/80
Contact: Robert J. Jevec, 301-594-3314

Conditions of Participation for Skilled Nursing and Intermediate Care Facilities - Notice of Public Meetings
7/29/80 Federal Register
Contact: Regional Offices

Medicare Program; Collection of Unpaid Medicare Premiums - Proposed Regulation
7/31/80 Federal Register
Contact: Harold Fishman, 301-594-9077

Medicaid Program; State Medicaid Fraud Control Units - Correction Notice
8/4/80 Federal Register
Contact: Luisa A. Iglesias, 202-755-1290

Medicare Program; Reimbursement for Costs of Approved Internship and Residency Programs - Final Regulation
8/5/80 Federal Register - Effective 1/1/80
Contact: William Goeller, 301-597-1802

Medicare Program; Supplemental Health Insurance Panel - Evaluation of State Regulatory Programs for Medigap Policies (Notice of request for recommendations of individuals to serve on the Supplemental Health Insurance Panel) - General Notice
8/5/80 - Federal Register
Contact: Robert A. Silva, 301-594-7410

Medicare Program; Exclusion of Heart Transplantation Procedures From Medicare Coverage - General Notice
8/6/80 Federal Register - Effective 6/13/80
Contact: Henry J. Hehir, 301-594-8561

PSRO Area Designations - Proposed Regulation
8/11/80 Federal Register - Comments due 10/10/80
Contact: Marjorie Geller, 301-594-5033

REVIEW

Medicare Program; Definition and Reimbursement of Hospital Intensive Care Type Units - Final Regulation
8/18/80 Federal Register - Effective 10/1/80
Contact: William Goeller, 301-597-1802

Medicare Program; Reimbursement on the Basis of Prudent Practices - Notice of Decision to Develop Regulation
8/18/80 Federal Register
Contact: William Goeller, 301-597-1802

Medicare Program; Schedule of Limits on Home Health Agency Costs Per Visit - Correction Notice
8/18/80 Federal Register
Contact: Alton Cobb, 301-594-9773

Medicare Program; Reimbursement for Radiological Services Furnished to a Hospital Inpatient by a Physician in the Field of Radiology - Final Regulation
8/22/80 Federal Register - Effective 9/22/80
Contact: Henry J. Hehir, 301-594-8561

Medicare Program; Schedule of Guidelines for Respiratory Therapy Services - Correction Notice
8/25/80 Federal Register
Contact: Alton Cobb, 301-594-9773

CATALOGUE OF STATE MATERIALS

M/MMI offers States a second edition of the Catalogue, a reference manual containing listings and brief abstracts of State Medicaid manuals, instructions, pamphlets, and various Medicaid health program management materials. Copies of the catalogue are available from the Clearinghouse, 389 East High Rise, Baltimore, MD 21235; contact Ruth Perry (301-594-8856) or Carlotta Wilkins (301-594-9526).

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NATIONAL SPECIFICATIONS FOR ELECTRONIC BILLING

HCFA has established national specifications for electronic hospital billing to Medicare intermediaries. The specifications were developed during a 14 month cooperative effort with national groups representing hospitals and insurance companies. A uniform file and record format has been published in the Medicare Intermediary Manual, and will soon be issued in the Medicare Hospital Manual.

HCFA is preparing a Federal Register notice to propose a change in State agency requirements for MMIS certification and recertification. The change would require States to accept electronic hospital billings in the new format. An Information Memorandum to States will provide detailed specifications.

According to HCFA's Office of Methods and Systems, implementation of national specifications will encourage coordination of Medicare and Medicaid hospital benefit payments and should reduce both hospital billing requirements and State agency clerical workloads.

A Provider Electronic Billing Technical Advisory Group (PEBTAG) has been formed to maintain the standardization of file and record formats. PEBTAG members represent HCFA, the Blue Cross and Blue Shield Association, the Health Insurance Association of America, the American Hospital Association, the Hospital Financial Management Association, and the Systems Technical Advisory Group (STAG), which represents State agencies. The PEBTAG, by addressing representative needs, will encourage voluntary adoption of the national specifications as a uniform electronic billing format. Procedures are also being written to encourage third party payors to send Medicaid crossover claims to State agencies, with the payor's benefit payment determination. For further details contact John Burton, 301-594-9407.

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NOTICE TO READERS

Last year the Medicaid/Medicare Management Institute produced Medicaid 1973-1979: A Selected Annotated Bibliography for use by Health Care Financing Administration (HCFA) constituents.

Recently, it has come to our attention that this publication contains an erroneous listing on page 23. Item 10 on that page lists the primary author of the article, "Dental Care for Nursing Home Patients" improperly. That author's correct name is Benjamin Latt, not Lah as shown.

We regret the error, which while not ours in origin (the original published article bore the erroneous listing) does disservice to a HCFA employee, who has worked extensively on Federal long term care programs, and now works in the Agency's Office of Child Health. Holders of the bibliography should correct the erroneous item accordingly.

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